



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

May 26, 1998

DOCKET FILE COPY ORIGINAL

By Hand Delivery and First Class Mail

Magalie R. Salas, Secretary
Office of the Secretary
Federal Communications Commission
Washington, D.C. 20554

RE: CC Docket No. 96-45
CC Docket No. 97-160

Dear Ms. Salas:

I am filing this Comment and Request on behalf of the Pennsylvania Public Utility Commission. I have provided a disk-copy, in Word Perfect 5.1, for staff use. I have also enclosed an additional copy to be stamped and returned to me in the -addressed envelope.

Sincerely,

Joseph K. Witmer,
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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of)
)
Federal-State Joint Board)
on Universal Service)
)
Forward-Looking Mechanism for)
Non-Rural LECs)

CC Docket No. 96-45
CC Docket No. 97-160

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**RESPONSE OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
AND REQUEST FOR EXTENSION OF TIME TO FILE STATE-SPECIFIC COST
MODEL FOR DETERMINING THE FORWARD-LOOKING MECHANISM FOR
THE COST OF PROVIDING SERVICE BY NON-RURAL CARRIERS**

I. INTRODUCTION

Pursuant to an Order Adopted and Released on April 23, 1998 (the April Extension Order), the Federal Communications Commission's (FCC) Common Carrier Bureau (CCB), the CCB granted states until May 26, 1998 to submit all input values for any state-specific cost studies to determine the forward-looking cost of providing the supported services within their respective jurisdictions. The April Extension Order also denied NARUC's request that states be permitted to file their respective cost studies three months after the Commission has selected the complete federal mechanism.

II. THE PENNSYLVANIA POSITION

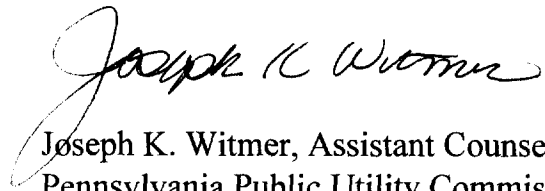
1. The PaPUC is on record as a state that has chosen to develop its own high-cost model. The PaPUC, as a companion to that commitment, has uncompleted proceedings governing access reform and universal service critical to development of a Pennsylvania-specific cost model. Those proceedings are docketed at I-00940035 (Universal Service); L-00950105 (Universal Service Rulemaking); I-00940034 (Intrastate Presubscription) and I-00960066 (Intrastate Access Charge Reform). The PaPUC's resolution of these ongoing proceedings will necessarily influence development of any Pennsylvania-specific cost model.

2. In December 1997, some of the parties to these proceedings submitted a Partial Settlement. The PaPUC has just resumed the Intrastate Access Charge Reform proceedings that would have been resolved by endorsement of the Partial Settlement. The PaPUC expects an Initial Decision on the resumed Intrastate Access Charge Reform proceeding by June 30, 1998.

3. The ongoing proceedings, the unresolved Partial Settlement, and the resumption of the Intrastate Access Charge Reform proceeding preclude development of a Pennsylvania-specific model at this time.

4. Consequently, the PaPUC requests an extension of time to file the Pennsylvania-specific cost model, that was the subject of the April Extension Order, until after conclusion of the above-referenced proceedings. In the alternative, the PaPUC requests the FCC to permit submission of a Pennsylvania-specific cost model after issuance and resolution of the FCC's federal mechanism for determining non-rural carriers' forward-looking costs.

Respectfully submitted,



Joseph K. Witmer, Assistant Counsel
Pennsylvania Public Utility Commission

Frank Wilmarth, Deputy Chief Counsel
Pennsylvania Public Utility Commission
Bohdan R. Pankiw, Chief Counsel
Pennsylvania Public Utility Commission

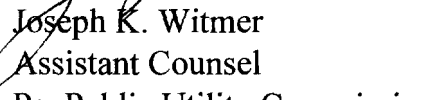
Dated: May 26, 1998

Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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Federal-State Joint Board)	
on Universal Service)	
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Forward-Looking Mechanism for)	
<u>Non-Rural LECs</u>)	

CERTIFICATE OF SERVICE

I, Joseph K. Witmer, hereby certify that I have on this 26th of May 1998, served a true and correct copy of the Comment and Request of the Pennsylvania Public Utility Commission (PaPUC) upon the persons and in the manner indicated below:


Joseph K. Witmer
Assistant Counsel
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